GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:348
ANSWERED ON:01.03.2002
Restructuring of UTI
ANANTRAO GUDHE

Will the Minister of FINANCE be pleased to state:

(a) whether the Advisory Committee on restructuring of UTI have submitted its report/ recommendations to the Government;

(b) if so, the details thereof :

(c) the detaiis of action taken thereon so far :

(d) the details of short-term and long ierm action plan finalised to restructure and re-orient UTI to restore public confidence: and

(e) the details regarding performance review of UTI schemes for the current year and new schemes proposed to be launched?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH)

(a) to (d) With a view to restoring liquidity and ameliorating, possible nardship to investors in the US-64 scheme of UTI.Government has decided to provided financial assistance to UTI. As part of the financial assistance package, UTI has been asked to ensure time bound reforms based on recommendations of expert committees. The reforms measures include, inter-aiia, formulating a comprehensive, cohesive and transparent investment policy, setting out objectives, investment/ disinvestment norms, exit norms, strategies of risk management (including stop-loss limits, a sound mechanism for identifying stickness in investments and follow up ot N PAs), internal control, asset allocation norms, tightening of accounting norms, institution of management audit and reconstitution of UTI Board to include more professionals. UTI has set up a Standing Advisory Group to advise and assist UTI in implementing anc operationaiising the reforms measures suggested by various expert committees.

(e) As intimated by UTI. the performance of NAV based schemes for the last one year and six months as onJanuary 31, 2002 is at enclosed statement.